

Check appropriate box.

☐ This is an original return

☐ This is an amended return

1997

Insurance Company Annual Return for SBT and Retaliatory Tax

Issued under P.A. 228 of 1975, as amended. Filing is mandatory.

1. Company Name Address (No., Street) City, State, ZIP Contact Person Contact Person Phone No.		2. Federal Employer ID NO. or TR No. ▶ 3. Insurer Type (Check one) ▶ <input type="checkbox"/> Foreign <input type="checkbox"/> Domestic 4. State of Incorporation (2 letters) ▶	
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ADJUSTED RECEIPTS

5. Enter the amount of your total company adjusted receipts for calendar year 1997..... ▶ **5** _____ | 00

APPORTIONMENT

6. Enter your Michigan gross direct premiums ▶ **6** _____ | 00
7. Enter your total gross direct premiums everywhere ▶ **7** _____ | 00
8. Michigan apportionment percentage. Divide line 6 by line 7..... 8 _____ %
9. Apportioned Tax Base. Multiply line 5 by line 8..... 9 _____ | 00

DISABILITY INSURANCE EXEMPTION

10. Enter your disability insurance premiums written in Michigan, not including credit insurance or disability income, OR \$130,000,000, whichever is smaller ▶ **10** _____ | 00
11. Enter total gross direct premiums from all lines of insurance carrier services everywhere 11 _____ | 00
- \$180,000,000 | 00
12. Subtract \$180,000,000. If less than zero, enter zero ... 12 _____ | 00
13. Exemption reduction. Multiply line 12 by 2 13 _____ | 00
14. Allowable exemption. Subtract line 13 from line 10 (can't be less than zero)..... 14 _____ | 00
15. ADJUSTED TAX BASE. Subtract line 14 from line 9 15 _____ | 00
16. TAX BEFORE CREDITS. Multiply line 15 by 1.2995% (.012995) ▶ **16** _____ | 00

CREDITS

17. Enter amounts you paid from 1/1/96 to 12/31/96 to each of the following:
a. Michigan Workers' Compensation Placement Facility..... ▶ **17a** _____ | 00
b. Michigan Basic Property Insurance Association..... ▶ **b** _____ | 00
c. Michigan Automobile Insurance Placement Facility..... ▶ **c** _____ | 00
d. Property and Casualty Guaranty Association..... ▶ **d** _____ | 00
e. Life and Health Guaranty Association..... ▶ **e** _____ | 00
18. Add lines 17a through 17e..... 18 _____ | 00
19. This year's credit is 100%. Carry the amount from line 18 here..... 19 _____ | 00
20. Michigan Regulatory Fees Credit _____ x 50%..... ▶ **20** _____ | 00
21. Add lines 19 and 20 21 _____ | 00
22. Subtract line 21 from line 16. If less than zero, enter zero..... 22 _____ | 00
23a. Contributions to **COMMUNITY FOUNDATIONS**..... ▶ **23a** _____ | 00
b. **CREDIT**. Enter the smaller of 50% of line 23a, \$5,000 or 5% of your tax on line 16..... 23b _____ | 00
c. Enter the **code** for the foundation you contributed to here (see inst.)..... ▶ **23c**
24. Subtract line 23b from line 22..... 24 _____ | 00
25a. Contributions to **COLLEGES AND PUBLIC LIBRARIES**..... ▶ **25a** _____ | 00
b. **CREDIT**. Enter the smaller of 50% of line 25a, \$5,000 or 5% of your tax on line 24..... 25b _____ | 00
26. **TAX**. Subtract line 25b from line 24..... ▶ **26** _____ | 00

Attach check here

**Domestic insurers go to page 2, line 43.
Foreign and alien insurers go to page 2, line 27.**

PAYMENT

57 Write the amount you entered on page 2, line 53..... **PAY THIS AMOUNT** ▶ **57** _____ | 00

Foreign and alien insurers complete lines 27- 43. Domestic insurers go to line 43.

27. Enter the amount from line 26 27 1 00

TAXES

28. State of incorporation tax

29. Michigan single business tax (from line 27).....

FEES AND ASSESSMENTS

30. Annual statement filing fee.....

31. Certificate of Authority renewal fee.....

32. Certificate of Compliance.....

33. Certificate of Deposit

34. Certificate of Valuation

35. Enter the **total** of other fees paid in your state of incorporation. Attach a detailed schedule of fees.....

36. Fire Marshall Tax

37. Second Injury Fund.....

38. Silicosis & Dust Disease Fund

39. Safety Education and Training Fund.....

40. Enter the total of all other assessments. Attach a detailed schedule of assessments.....

TOTAL

41. Total taxes and assessments (add lines 28 - 40).....

42. Retaliatory amount (subtract line 41 col. B from col. A; not less than 0)..... ▶ 42 1 00

43. Amount due (add lines 27 and 42). Domestic insurers enter the amount from line 26 ▶ 43 1 00

	Column A State of Incorporation	Column B Michigan
28		
29		
30		25.00
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		

PAYMENTS

44. Credit forward from 12/31/96 SBT return, line 60..... 44 1 00

45. Estimated tax payments..... 45 1 00

46. Tax paid with request for extension..... 46 1 00

47. WDSB Credit (include only if you have not received payment)..... 47 1 00

48. Total Payments. Add lines 44 through 47 ▶ 48 1 00

49. *Complete this line only if you are amending a return.*

a. Add to line 48 any payment of tax made with your original return

OR

b. Subtract from line 48 any refund of tax you received with your original return

c. Net payments ▶ 49 1 00

Amended filers use line 49 instead of line 48 for all references below.

50. TAX DUE. Subtract line 48 from line 43. If less than zero, leave blank..... ▶ 50 1 00

51. Underpaid estimate penalty and interest (see instructions)..... 51 1 00

52. Annual return penalty at ____ % = _____.00 and interest at ____ % = _____.00..... 52 1 00

53. **PAYMENT DUE.** Add lines 50 - 52. Enter this amount here and on page 1, line 57..... 53 1 00

YOUR REFUND or OVERPAYMENT

54. OVERPAYMENT. If line 48 is more than line 43, subtract line 43 from line 48... 54 1 00

55. How much of the amount on line 54 do you want refunded to you?..... ▶ 55 1 00

56. How much of the amount on line 54 do you want credited forward?..... ▶ 56 1 00

This return must be filed by March 1, 1998.

SIGNATURE AND PREPARER AUTHORIZATION

TAXPAYER'S DECLARATION

I declare, under penalty of perjury, that this return is true and correct to the best of my knowledge.

☐ I authorize Treasury to discuss my return with my preparer.

☐ Do not discuss my return with my preparer.

Taxpayer's Signature

Date

Title

PREPARER'S DECLARATION

I declare, under penalty of perjury, that this return is based on all information of which I have any knowledge.

Preparer's Signature

Date

Business Address and Phone

Worksheet to calculate adjusted receipts:

1. Rental and royalty receipts: Unless received from an affiliated insurance company or an insurance agent for your company.....	1. \$.00
2. Gross direct premiums received	2. \$.00
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation	3. \$.00
4. Receipts from a business activity other than the business of insurance	4. \$.00
5. Charges attributable to premiums paid on a deferred or installment basis	5. \$.00
6. Servicing carrier fees received from the Michigan auto insurance placement facility	6. \$.00
7. Total company adjusted receipts. Add lines 1 - 6 ENTER THE TOTAL FROM LINE 7 ON LINES 5 AND 9 OF FORM C-8463.	7. \$.00

NOTE: As a result of the passage of House Bill No. 5590, sales of annuities and assumed reinsurance (lines 6 and 7 on form C-8463) are no longer part of the calculation of gross receipts (adjusted receipts). **Zeros have been entered on these lines to prevent the entry of any amounts.**

INSTRUCTIONS for YOUR 1997 INSURANCE COMPANY ANNUAL RETURN FOR SBT AND RETALIATORY TAX (form 1366 (formerly C-8463))

General Information

When is this return due?

March 1, 1998.

Who must file this return?

All insurance companies must file this return.

If your apportioned or allocated gross receipts are less than \$250,000, then you do not have to complete the SBT portion of this return. Foreign or alien insurers whose gross receipts are less than \$250,000 must still complete the retaliatory section of the return (lines 28-42).

All insurers, domestic and foreign, must submit copies of *Schedule T* and the *Michigan Business Page* when filing this return.

Who must sign the return?

You must sign your own return. If someone other than you or your full-time employee has prepared the return, the preparer must also sign it and give his or her business address and telephone number in the space provided.

Can I round figures?

Report all amounts in whole dollars. Round amounts of 50 cents or more up. Carry all percentages to at least six decimal places. For example, 24.1542 percent (.241542).

Do I have to file estimated tax returns?

You must pay estimates in any year that your annual tax liability is more than \$600. Estimates must equal 85 percent of your current year tax liability, or equal your tax liability for the previous year, if your tax was less than \$20,000. If they do not, you will be charged penalty and interest. Quarterly estimate payments are due on April 30, July 31, Oct. 31, Jan. 31.

How do I compute penalty and interest?

Returns filed late or without payment are subject to 5 percent penalty per month to a maximum of 50 percent of the tax. Interest is charged at 1 percent above prime rate from the due date of the return. This applies to annual and estimated returns.

Need Forms?

If you need additional forms, you may order them by calling 1-800-FORM-2-ME (367-6263).

If you have general questions, please call the Single Business Tax Division at (517) 373-8030.

SBT Instructions

Lines not listed are explained on the form.

Line 2: Enter your federal employer identification number (FEIN) or your Treasury assigned (TR) number.

If you don't have an account number, one will be assigned to you. Michigan Treasury records all payments and returns under your FEIN. Please make sure this number appears on all documents sent to Treasury.

Line 3: Check a box to indicate your company's status. Alien insurance companies check "foreign," unless your port of entry is Michigan, then you are considered "domestic" for the filing of this return.

Adjusted Receipts

Line 5: Enter the amount of total company adjusted receipts for the period.

Gross Receipts Checklist

1. Rental and royalty receipts (unless received from an affiliated insurance company or an insurance agent for your company).
2. Gross direct premiums received.
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation.
4. Receipts from a business activity other than the business of insurance.
5. Charges attributable to premiums paid on a deferred or installment basis.
6. Servicing carrier fees received from the Michigan auto insurance placement facility.

Excluded Receipts

1. Receipts from interest, dividends, or proceeds from the sale of assets.
2. Receipts on the sale of annuities.
3. Receipts on all reinsurance transactions.
4. Any income which is a flow through from a partnership or other entity whose business activities would be taxable under the Single Business Tax Act.

Apportionment

Line 6: Enter your Michigan gross direct premiums excluding annuity considerations & reinsurance assumed.

Line 7: Enter your total gross direct premiums everywhere excluding annuity considerations & reinsurance assumed.

Disability Insurance Exemption

Line 12: You must subtract \$180,000,000 from the amount you entered on line 11. If the result is less than zero, enter zero on line 12.

Credits

Line 20: Enter the amount of Michigan regulatory fees you paid (under MCL 500.224). Multiply this amount by 50 percent and enter the result on line 20.

Line 23, Community Foundation Credit: To be eligible for this credit, you must have donated to a Michigan foundation that has been certified by the Michigan Department of Treasury. For a complete list of certified foundations, request *Revenue Administrative Bulletin 97-5*. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16, or \$5,000.

Line 25, Public Colleges and Libraries Contribution Credit. A partial credit is allowed for contributions made during the taxable year to Michigan colleges and universities (including fund-raising agencies under their control), the Michigan colleges foundation, public libraries, and public broadcasting stations located in Michigan. Receipts from the institutions must be attached. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 24, or \$5,000.

Retaliatory Instructions

**(for foreign and alien insurers only;
domestic insurers skip lines 27-42)**

You must include with your return a copy of the State of Incorporation tax form on which you reported Michigan premiums.

Do not mail this return with your Michigan annual financial statement, and do not send your annual statement filing fee with this return. You will be billed separately for the annual statement filing fee from the Michigan Insurance Bureau.

You must enter all items that are required of a Michigan insurance company. In some instances, there will be taxes and obligations imposed in other states for which Michigan has no corresponding requirement. Because of the manner of this calculation, you may have difficulty completing these items on a Michigan basis. Nonetheless, difficulty of calculation does not excuse a foreign insurer from paying to Michigan the same type of obligation a similar Michigan insurer is required to pay in the insurer's state of domicile.

Do not include the following Michigan assessments (or comparable assessments in your state of incorporation) in the retaliatory calculation:

The Michigan Workers' Compensation Placement Facility.

The Michigan Basic Property Insurance Association.
The Catastrophic Claims Association.

The Michigan Auto Insurance Placement Facility.
The Michigan Life and Health Insurance Guaranty Association.

The Property and Casualty Guaranty Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies **must file** and pay a tentative retaliatory tax to Michigan by the annual due date (March 1, 1998). An **amended** return must be filed 30 days after the actual CT33 return is filed with New York. Do not submit a photocopy of the actual CT33 return. We cannot process them and will return them to you. Transfer the CT33 numbers onto your amended annual return (form 1366 (formerly C-8463)).

Instructions for lines 27 - 43.

In the Michigan column, enter actual payments made to Michigan. In the State of Incorporation column, enter the payments that would have been payable by a similar Michigan company doing business in your company's home state.

Line 28: Enter the tax a Michigan company would pay in your state of incorporation for your company's Michigan business. Attach a copy of your state's tax form on which you reported Michigan premiums.

Lines 36 - 40: Attach proof of payment for any items listed in the Michigan column. Itemize any other assessments not listed. Attach a separate list if necessary.

Line 42: Subtract line 41 column B from line 41 column A. This amount can't be less than zero. If line 41 column B is a negative number, add column A to the negative number in column B.

Payments

Line 45: Enter the total tax paid with your quarterly tax returns.

Line 46: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 47: Workers' Disability Supplemental Benefit (WDSB) Credit: This credit can be claimed by both foreign and domestic insurers. You may only include amounts authorized by the director of the Department of Labor during this tax year. The authorized amount and date authorized are on form LW06401 which you receive from the Department of Labor.

Line 51 and 52: Penalty and Interest: See "How do I compute penalty and interest" under General Information on opposite side.

Mailing instructions

Make your payment payable to "State of Michigan." Write your FEIN on your remittance and mail your return with payment, if applicable to:

Michigan Department of Treasury

Dept. 77229

Detroit, MI 48277-0229

If you owe no tax or expect a refund, mail your return to:

Michigan Department of Treasury

P.O. Box 30059

Lansing, MI 48909

